

Consumer Behavior On-line



Michelle Jun

Consumers Union

www.FinancialPrivacyNow.org

Between 8.4 to 10 million Americans become identity theft victims per year

According to the FTC's 2007 Consumer Sentinel report, they received 204,881 internet-related fraud complaints. This accounts for about 30% of the complaints received by the FTC.

- ◆ These consumers paid an average of \$3,338 and a median of \$500.

The Anti-Phishing Working Group reported 29,930 phishing websites in January 2007.

- ◆ Increase of 25% from 12/2006 & 5% from previous high

How do you avoid internet-related fraud and identity theft?

- Be savvy
- Know what's out there...

What is “Phishing”?

- “Phishing” = social engineering
 - ◆ Who: Online scammers, posing as legitimate companies or your new best friend
 - ◆ Why: They want your sensitive information (credit-card, billing-routing, and Social Security numbers, among others)
- “Pharming” = being diverted to a fake/spoofed website
- “Spear phishing” = spoofed email that targets emails stolen from a company or organization

Some Big Phishing Scams:

- Nigerian 419
- Canadian Lottery
- Jury Duty

Consumer Reports' Webwatch 2005 survey of 1501 US-based adult Internet users found:

- 9 out of 10 U.S. Internet users over 18 yrs of age have made changes to their behavior due to fear of identity theft.
- Of those changes, 30% say they have reduced their overall use of the Internet.
- 25% say they stopped buying things online.
- Among those who shop online, 29% say they have cut back on how often they buy things.

How can you better protect yourself on-line?

A few “Nevers”:

- Never click on a URL in an email
 - ◆ www.whois.org
- Never give out your sensitive information —
It's valuable!
- Never send advance payments to receive a
“prize”

Tips for Safer Shopping On-line

- Visit sites you know
- When submitting sensitive information, look for pharming-conscious websites
 - ◆ https:// or the lock at the bottom of the webpage
 - ◆ Review the Privacy Policy
- Method of Payment
 - ◆ Debit—less debt, more risk of ID theft
 - ◆ Credit—possibly more debt, less risk of ID theft
 - ◆ Other methods: PayPal, Google Checkout, Bill Me Later. Consumer Reports recommends using a credit card for these services.
- Print your receipts

What to do if you get scammed!

- Call and write to the following:
 - ◆ Law Enforcement
 - ◆ Credit card issuers, banks, creditors, debt collectors
 - ◆ Credit reporting agencies
- Follow-up in writing
- Keep a log

What to do if you get scammed!

■ Contact law enforcement agency

- ◆ Police—ask for a “courtesy” report
- ◆ FTC—file an affidavit

<http://www.ftc.gov/bcp/online/pubs/credit/affidavit.pdf>

With a police report or FTC affidavit, you are entitled to copies of the application and transaction forms of the accounts opened in your name.

- ◆ Report phishing to www.ic3.gov (Internet Crime Complaint Center)

What to do if you get scammed!

- Contacting the credit reporting agencies:
 - ◆ Tell them you are disputing the debt and why
 - Equifax (888) 766-0008
 - Experian (888) EXPERIAN
 - TransUnion (800) 680-7289
 - ◆ You are entitled to have inaccurate or fraudulent information blocked from your credit report under the Fair Credit Reporting Act (FCRA)
 - ◆ You will receive a copy of your credit report—review it carefully now and later

What to do if you get scammed!

- Contact creditors to alert them of fraud
 - ◆ Ask to speak to the fraud department
- For existing accounts
 - ◆ Ask for new account numbers
 - ◆ Close accounts
- For new accounts
 - ◆ Contact the creditor's fraud department and obtain copies of the application and transaction documents

Additional protection measures:

- Obtain your free credit reports
www.AnnualCreditReport.com or call 877-322-8228
 - ◆ To find out more information on how to review and correct your credit reports, visit:
<http://www.consumersunion.org/issues/creditmatters.html>
- Use the security freeze or fraud alert
 - ◆ To find out more information, visit www.FinancialPrivacyNow.org
- Do Not Call List (888) 382-1222 or www.donotcall.gov
- Opt-Out List (888) 567-8688 or www.optoutprescreen.com

Be Proactive!

- Never give out your personal information to just anyone
- Look for the https:// or lock at the bottom of the webpage
- Review your credit reports
- Consider the security freeze
- Contact your legislators

www.FinancialPrivacyNow.org

More Resources

- Identity Theft Resource Center
www.IDTheftCenter.org
- Privacy Rights Clearinghouse
www.PrivacyRights.org
- Federal Trade Commission
www.consumer.gov/IDTheft
- Consumers Union
www.ConsumersUnion.org or
www.FinancialPrivacyNow.org

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